IN THE CLAIMS

Please amend the claims as follows:

1-2.	(Cancelled)	_

	3. (Currently Amended) Method according to claim 2A method for
	reducing the number of bits of a digital input signal, said method
	comprising the steps of:
	adding a pseudo-random noise signal to the digital input
5	signal to form an intermediate signal, the pseudo-random noise
	signal being defined by noise parameters; and
	quantizing the intermediate signal having a word length of
	${\color{red} \underline{n}}$ bits to a reduced word-length signal having a word length of ${\color{red} \underline{m}}$
	bits, where n and m are integers, n being larger than or equal to
10	m, the quantizing of the intermediate signal including a first
	transfer function which is non-linear, the first transfer function
	being defined by non-linear device parameters, a quantization step
	of the first transfer function for small amplitudes being smaller
	than a quantization step for large amplitudes, in which
15	wherein the gain of the first transfer function is substantially
	equal to one for small amplitudes, and in whichwherein the gain
	decreases for large amplitudes.

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	4. (Currently Amended) Method according to The method as
	claimed in claim 3, in whichwherein the first transfer function
	equals-the function:
	$M_e/D_i = c_1 \tanh(c_2D_i + c_3),$
5	in which $M_{\mbox{e}}$ is the reduced $\mbox{word-word-}$ length signal, $D_{\mbox{i}}$ is the
	intermediate signal, and c_1 , c_2 , c_3 are the non-linear device
	parameters—(NLD _p).
	5. (Currently Amended) Method according to The method as
	<u>claimed in claim 13</u> , <u>in whichwherein</u> the amplitude of the noise
	$signal-(N_a)$ is at least equal to a predetermined noise value.
	6. (Cancelled).
	7. (Currently Amended) Method according to claim 1A method for
	reducing the number of bits of a digital input signal, said method
	<pre>comprising the steps of:</pre>
	adding a pseudo-random noise signal to the digital input
5	signal to form an intermediate signal, the pseudo-random noise
	signal being defined by noise parameters; and
	quantizing the intermediate signal having a word length of
	n bits to a reduced word-length signal having a word length of m
	bits, where n and m are integers, n being larger than or equal to

- - 8. (Currently Amended) Method according to The method as claimed in claim 7, in which the recording medium (13)—is a compact disc and the reduced word—word—length signal (Me)—is recorded on a first channel, and the non-linear device parameters (NLDp) and/orand the noise parameters (Np)—are recorded on a second channel, the first channel and second channel being separate channels.
 - 9. (Currently Amended) Method according to claim 1A method for reducing the number of bits of a digital input signal, said method comprising the steps of:
 - adding a pseudo-random noise signal to the digital input

 signal to form an intermediate signal, the pseudo-random noise

 signal being defined by noise parameters; and

	quantizing the intermediate signal having a word length of
	${\tt n}$ bits to a reduced word-length signal having a word length of ${\tt m}$
	bits, where n and m are integers, n being larger than or equal to
LO	m, the quantizing of the intermediate signal including a first
	transfer function which is non-linear, the first transfer function
	being defined by non-linear device parameters, comprising the
	further
	wherein said method further comprises the steps of providing:
L5	forming a difference signal, the difference signal being
	equal to the intermediate signal $\frac{(D_{\pm})}{}$ minus the reduced $\frac{word}{}$ word-
	length signal-(M _e); and
	recording the difference signal, the non-linear device
	parameters and the noise parameters on a recording medium.
	10-11. (Cancelled).
	12. Currently Amended) Signal Processing apparatus,
	comprising:
	a pseudo-random noise generator (12) for generating a
	noise signal (Na) being defined by noise parameters.:
5	an addition element (11) connected to the pseudo-random
	noise generator $\frac{(12)}{}$ for adding the noise signal $\frac{(N_a)}{}$ to $\frac{an}{}$

digital input signal $(M_{\frac{1}{2}})$ to provide thereby forming an intermediate signal $(D_{\frac{1}{2}})_{7,2}$ and

a first quantising quantizing element (10) connected to the addition element for transforming the intermediate signal—(Di), having a word length of n bits into a reduced word word-length signal having a word length of m bits, n and m being integers and n being larger than or equal to m, wherein,

the quantising quantizing element (10) has a non-linear transfer function, the non-linear transfer function being defined by non-linear device parameters—(NLDp), and wherein

a quantization step of the non-linear transfer function for small amplitudes being smaller than a quantization step for large amplitudes, the gain of the non-linear transfer function

being substantially equal to one for small amplitudes, and the gain decreasing for large amplitudes.

13. (Cancelled).

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- 14. (Cancelled).
- 15. (Currently Amended) Signal A signal decoding apparatus

 according to claim 14 for recovering an output signal from a reduced

 word-length signal recorded on a record carrier, said record

 carrier also having recorded thereon non-linear device parameters

5	and noise parameters used to generate the reduced word-length
	signal from an input signal, said signal decoding apparatus
	comprises:
	means for extracting the reduced word-length signal, the
	non-linear device parameters and the noise parameters from the
10	record carrier;
	a quantization element coupled to said extracting means
	for processing said reduced word-length signal using a non-linear
	transfer function to form a decoded signal, said quantization
	element having a control input for receiving said non-linear device
15	parameters for adjusting said non-linear transfer function to be
	inverse to a non-linear transfer function used to form said reduced
	word-length signal; , further comprising
	a second -noise source— (16) for providing a subtraction
	noise signal (N_S) to a subtraction element (15) , said noise source
20	having a control input for receiving said noise parameters for
	adjusting the subtraction noise signal $\frac{(N_S)}{(N_S)}$ beingto substantially
	equal to the a noise signal (N_a) used in forming said reduced word-
	length signal; and, the
	a subtraction element (15) being arranged for subtracting
25	the subtraction noise signal $\frac{(N_S)}{}$ from the decoded signal $\frac{(M_{\tilde{G}})}{}$ in
	order to provide form the output signal, whereby the output signal
	gorrognonds to the input signal

16. (Currently Amended) <u>Signal A signal processing apparatus</u>, comprising:

means for adding a pseudo-random noise signal to the a

digital input signal (M_±)—to obtain an intermediate signal, the

pseudo-random noise signal being defined by noise parameters; and

means for quantising quantizing the intermediate signal,

having a word length of n bits, to a reduced word word-length

signal having a word length of m bits, n and m being integers and n being larger than or equal to m, wherein

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the quantising quantizing means includes a first transfer function which is non-linear, the first transfer function being defined by non-linear device parameters, and wherein

a quantization step of the first transfer function for small amplitudes being smaller than a quantization step for large amplitudes, the gain of the first transfer function being substantially equal to one for small amplitudes, and wherein the gain decreases for large amplitudes.